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MONTHLY STATISTICAL SUMMARY

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Current Trends: Production Still Climbing

Preliminary data indicate that production of paper and paperboard in September was at a seasonally adjusted rate of 66.0 million tons per year. This brought the third quarter rate to a record 65.2 million tons per year, up slightly from the 64.9 million tons reached in the second quarter of the year, and 1.3 million tons per year over the first quarter. If production maintains its third quarter 1979 rate for the remainder of the year (and data for production of paper and paperboard in early October show continued strength), total production for the year would reach 64.8 million tons, some 5% above the 61.6 million tons produced in 1978, establishing the 1979 production total as a new high.

There is, of course, considerable concern that total economic activity is on the threshhold of a cyclical deline. Recent moves by the Federal Reserve Board to tighten reserves have pushed the discount rate and the prime rate to record highs and sent tremors through Wall Street. Memories of the sharp drop in paper and board production in the last two months of 1974 are stark reminders of the dangers of simple extrapolation of current trends to estimate an annual total. However, in contrast

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to that earlier period, inventories of paper and paperboard products in the channels of distribution are still not excessive in relation to consumption. They may become moderately excessive in the fourth quarter of the year.

Where domestic production is pointing to a gain of better than 5% over year-ago levels for 1979, barring any sharp year-end decline, the new supply total is estimated at 70.5 million tons, 4.6% over 1978's 67.39 million tons. The difference in the two growth patterns reflects a reduction of imports of newsprint from Canada, in part, the result of supply difficulties. In fact, even now inventories of newsprint at publishers appear somewhat below desired levels.

The available data on inventories indicates a wide variety of positions. Data on inventories at pulp, paper and board mills show these to be at relatively low levels. The Industry Data Sheet shows that Department of Commerce data on January-August dollar sales of pulp, paper and paperboard companies was up 18.4% with inventories at these companies up only 6.8%. API data show tonnage inventories of containerboard at paperboard mills as of September 1, 1979 at a relatively low 0.3 weeks of supply, compared to 0.5 weeks a year earlier. Inventories at white paper mills at the end of August 1979 were 8% below year-ago levels and equivalent to about 1.7 week's supply. These three categories - newsprint, other printing/writing papers and containerboard - account for over 60% of the total new supply of paper and paperboard.

There are, of course, instances where individual consuming groups have increased their inventories significantly and, in some cases, have exceeded the level supportable by their activity. Also, there was some increase in containerboard inventories at box plants, but the September 1, 1979 figure indicates that total inventories at containerboard and box plants combined, amounted to a relatively low 5.6 weeks of consumption.

The strength in production of paper and board in the third quarter of 1979 is in sharp contrast with the lower year-ago levels, when most of the West Coast mills were on strike. For this reason the current trends are better determined by analysis of seasonally adjusted data during the course of 1979, than by comparisons of year-to-date totals. From any

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

PRODUCTION, SHIPMENTS AND ORDERS

(Thousands of Tons)

	YEAR 1977	YEAR 1978	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	Annual Rate Y-T-D 1979	% Change from same Period Last Year
PAPER					R	P		
Newsprint - Production	3870	3768	340	335	360	365	4056	8.2
- Shipments	3866	3779	338	337	358	365	4055	8.0
Printing & Writing	13863	14545	1301	1218	1376	1249	15370	5.8
Groundwood Paper - Shipments	1331	1309	124	121	131	117	1457	13.3
- New Orders	1336	1367	126	130	135	124	1492	7.0
- Unfilled Orders	137	179	181	195	195	204	204	2.0
Coated Paper - Shipments	4261	4448	352	360	403	373	4486	0.6
- New Orders	4279	4428	337	394	397	354	4508	1.3
- Unfilled Orders	398	404	410	464	445	429	429	4.6
Unctd Free Sheet - Shipments	6777	7225	686	616	696	627	7802	7.9
- New Orders	6833	7542	674	635	694	619	7832	1.7
- Unfilled Orders	436	754	724	777	752	737	737	-8.2
Thin Paper - Production *	362	354	32	29	35	32	385	8.9
Cotton Fiber Paper - Shipments	108	114	10	9	11	11	125	10.5
Bleached Bristols -Production*	1026	1095	97	83	100	88	1115	2.2
Tissue Paper - Production	4286	4215	387	372	400	375	4562	7.5
Total Packaging & Other Paper	5390	5325	493	461	492	480	5764	6.3
Unbl. Kraft Paper - Shipments	3815	3894	339	321	337	330	3997	0.7
Other Paper - Production * #	1575	1430	154	140	155	150	1767	21.9
TOTAL PAPER-Production-UnadJ.	27411	27852	2521	2386	2628	2469	29751	6.5
-Production-S.A.			2541	2514	2559	2556	29788	6.5
PAPERBOARD - PRODUCTION							##	
Solid Wood Pulp Furnish	21636	22790	2048	1922	2081	1935	23944	4.2
Unbleached Kraft Linerboard	12573	13228	1201	1123	1233	1142	13941	4.9
Production for Export	1290	1466	150	125	142	126	1564	5.2
Other Unbl. Kraft Paperboard	1078	1145	104	95	101	89	1251	2.7
Semichemical Paperboard	4264	4439	406	380	406	387	4728	6.7
Production for Export	122	119	9	10	9	6	98	-17.7
Solid Bleached Paperboard	3721	3979	337	324	340	318	4023	-0.4
Production for Export	389	430	41	30	38	33	435	-1.3
Recycled Paperboard	7317	7485	636	562	670	622	7654	2.3
Production for Export	30	22	1	2	2	1	19	-18.1
TOTAL PAPERBOARD-Prod.-UnadJ.	28953	30275	2684	2484	2750	2558	31597	3.7
- Production - S.A.			2678	2582	2590	2670	31383	3.8
- New Orders	29022	31194	2674	2685	2774	2555	32440	2.3
- Unfilled Orders	1037	1370	1493	1625	1589	1622	1622	5.7
WET MACHINE BOARD *	128	142	15	11	14	14	166	16.1
BUILDING PAPERS *	1850	1956	170	147	165	160	1931	-1.9
INSULATING BOARD *	1435	1417	122	107	120	105	1413	1.5
TOTAL ALL GRADES - UnadJusted	59778	61642	5510	5134	5677	5305	64859	4.8
- Production - S.A.			5513	5365	5429	5503	64659	4.8
HARD PRESSED BD. [not in total]*	2237	2180	169	188	195	175	2144	-3.4

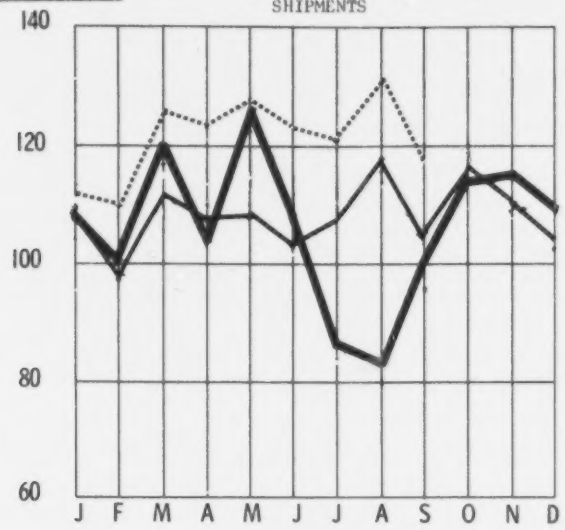
* Census Data - Production. Last two months estimated.
\# Production excludes API bleached kraft envelope.
Includes revisions not available monthly.

S.A. Seasonally Adjusted
P Preliminary
R Revised

THOUSANDS OF TONS

GROUNDWOOD PAPER, UNCOATED

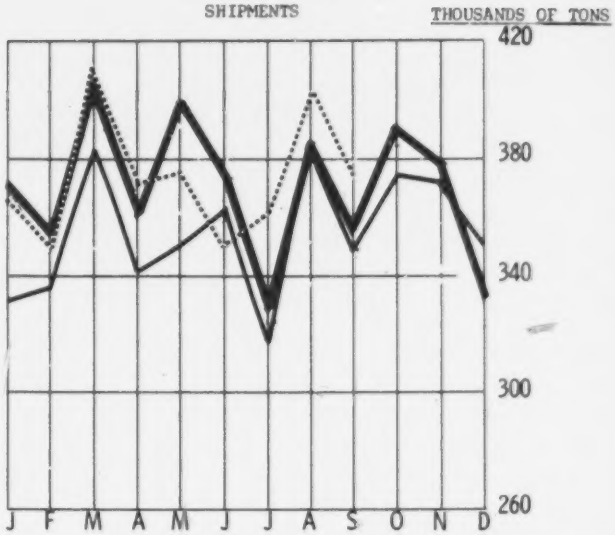
SHIPMENTS



COATED PAPER

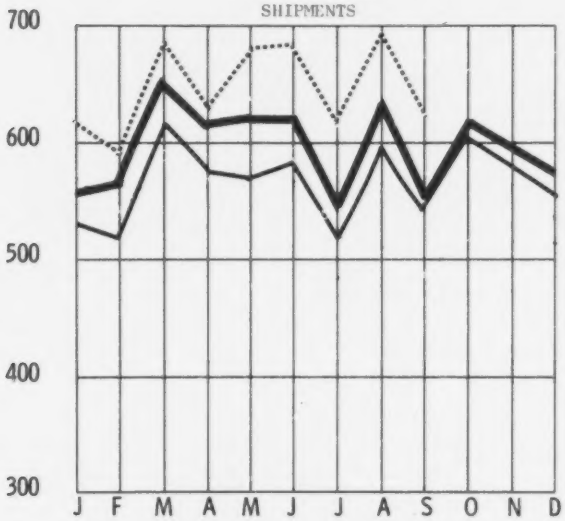
SHIPMENTS

THOUSANDS OF TONS



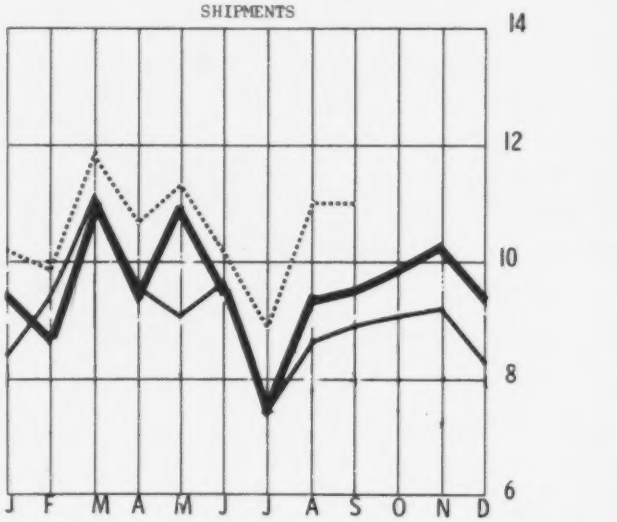
UNCOATED FREE SHEET PAPERS

SHIPMENTS



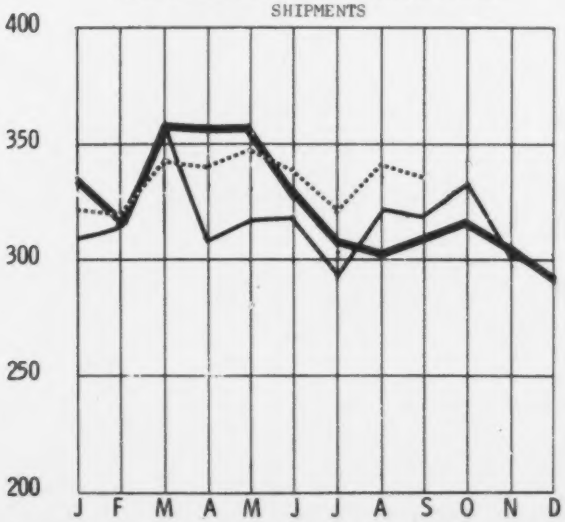
COTTON FIBER PAPER

SHIPMENTS



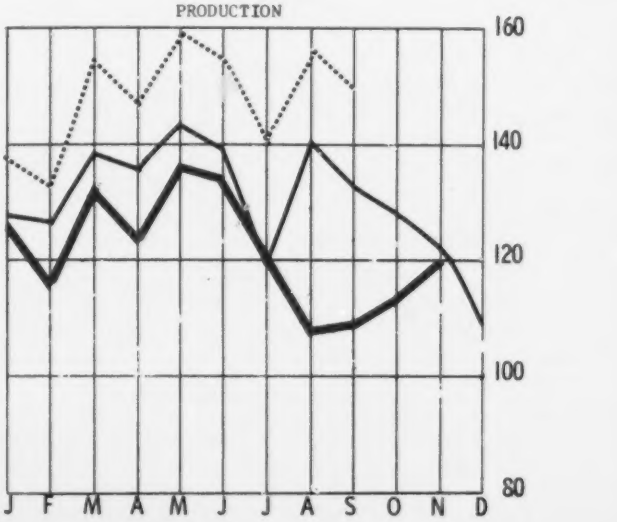
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1977 ——— 1978 ■■■■■ 1979 ·····

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1977	YEAR 1978	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	Annual Rate Y-T-D 1979	% Change from same Period Last Year
TOTAL WOOD PULP (1)					R	P		
Total Wood Pulp - Production	46652	47662	4369	4321	4092	4415	50179	4.6
- Imports	3864	4025	456	347	352	378	4385	11.2
- Exports	2640	2599	224	310	279	247	2775	8.2
- New Supply	47877	49088	4600	4357	4165	4546	51788	4.9
Dissolving Pulp - Production	1467	1411	139	136	125	155	1490	-1.7
- Imports	181	189	8	7	10	19	177	5.5
- Exports	796	758	47	83	88	71	743	-5.9
- New Supply	852	842	101	60	47	103	924	3.4
Paper Grades - Production	36897	37847	3405	3369	3189	3431	39504	3.7
Chemical Pulp - Imports	3481	3627	411	332	326	331	3992	11.6
- Exports	1763	1780	173	217	187	171	1974	15.3
- New Supply	38615	39694	3644	3484	3327	3591	41522	3.9
Groundwood and - Production	4403	4373	384	369	360	387	4463	2.7
Thermo-Mech. - Imports	203	208	36	8	16	27	215	8.9
- Exports	81	62	5	9	4	4	59	-9.3
- New Supply	4525	4519	415	368	371	410	4620	3.1
Semi-Chemical - Production	3886	4031	441	446	419	441	4722	17.6
- Imports	0	0						
- Exports	0	0	------	Included	with	Groundwood	Pulp	------
- New Supply	3886	4031	441	446	419	441	4722	17.6
MARKET WOOD PULP								
Total Market - Production	4819	5165	513	501	487	514	5571	5.6
Wood Pulp - Imports	2684	2816	260	262	247	240	3105	11.7
- Exports	2359	2480	199	312	243	238	2632	7.6
- New Supply	5144	5501	573	451	491	516	6044	7.8
Dissolving Pulp - Production	1465	1406	139	136	125	155	1491	-1.3
- Imports	256	291	27	20	19	29	335	21.4
- Exports	798	824	67	111	65	93	834	-0.9
- New Supply	923	873	98	44	79	91	992	4.9
Paper Grades - Production	3263	3675	367	360	357	352	4023	9.3
Chemical Pulp - Imports	2394	2495	233	242	228	210	2764	11.7
- Exports	1515	1613	128	194	175	141	1751	12.3
- New Supply	4143	4557	472	408	409	422	5036	9.6
Groundwood Pulp - Production	90	83	7	6	5	6	56	-31.7
and All Other - Imports	35	26	0	1	1	1	7	-73.2
- Exports	46	42	4	7	3	4	47	7.6
- New Supply	80	67	3	0	3	3	16	-75.1

(1) Production excludes defibrated, exploded & screenings: 1977 - 3,218,000 tons; 1978 - 3,155,000
SOURCES: Total Wood Pulp Imports & Exports - Department of Commerce. Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp & Raw Materials Group, API.

FIBROUS RAW MATERIALS
(Thousands of tons)

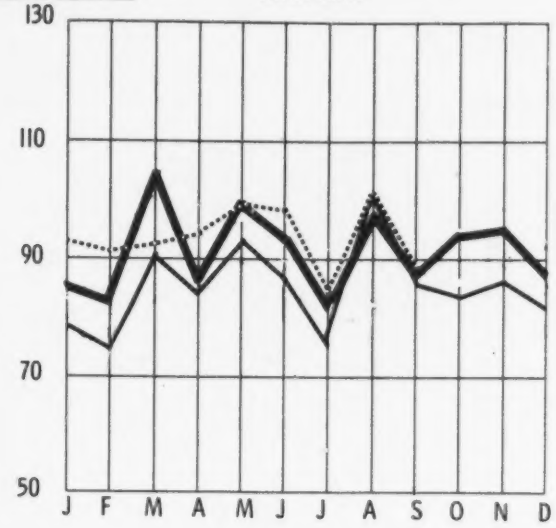
CONSUMPTION AT PAPER & BD. MILLS					R	P		
Total	62399	64044	5876	5654	5313	5464	66308	3.2
Total Wood Pulp (2) A	47596	48777	4525	4344	4146	4114	50682	3.6
Market Wood Pulp A	4216	4774	433	426	413	440	5115	7.3
Waste Paper (3) A	14058	14601	1296	1254	1122	1295	14969	2.2
Rags, Straw & Other C, E	745	666	55	55	45	55	657	-1.6
INVENTORIES								
Wood Pulp at Pulp Mills A	193	130	122	124	118	124	124	-21.1
Market Pulp at Pulp Mills A	277	187	201	165	178	145	145	-40.8
Mkt Pulp at Ppr.& Bd. Mills CE	404	435	434	452	448	445	445	2.1
Waste Ppr.at Ppr.&Bd. Mills CE	728	740	668	666	656	645	645	-11.9
Rags, Straw and Other at Paper and Board Mills C, E	67	66	79	79	82	82	82	20.6
Mkt Wood Pulp Days of Supply A	55	44	42	41	38	39	39	-23.3
Wood Pulp Consumption at at Non-Paper Mills C, E	876	884	80	72	76	75	915	5.3

A - Pulp & Raw Materials Group, API; C - Bureau of the Census; E - Most Recent Month Estimated by API
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons
(2) Excludes consumption of defibrated & exploded pulp for hard pressed bd.: 1977 - 1,688,000; 1978 - 1,655,000 ton
(3) Census Waste Paper Consumption: 1976 - 11,873,645 tons; 1977 - 12,192,000 tons; 1978 - 13,185,000 tons

BLEACHED BRISTOLS

PRODUCTION

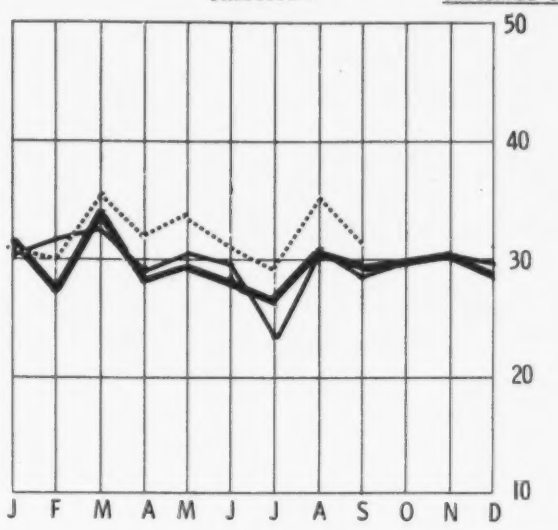
THOUSANDS OF TONS



THIN PAPERS

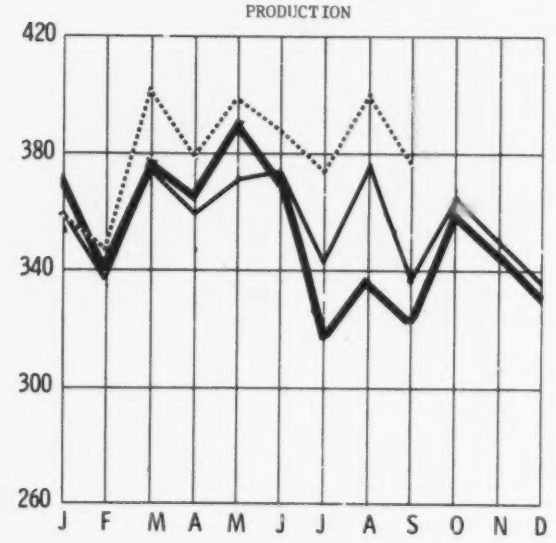
PRODUCTION

THOUSANDS OF TONS



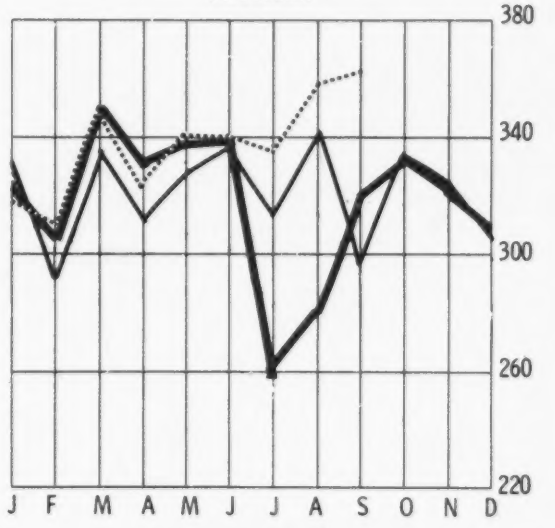
TISSUE PAPER

PRODUCTION



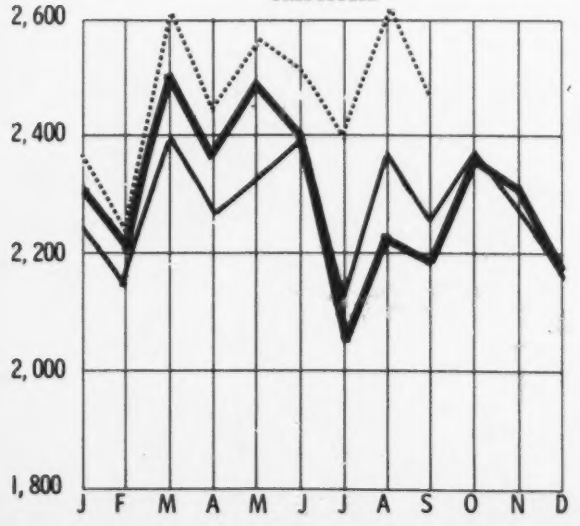
NEWSPRINT

PRODUCTION



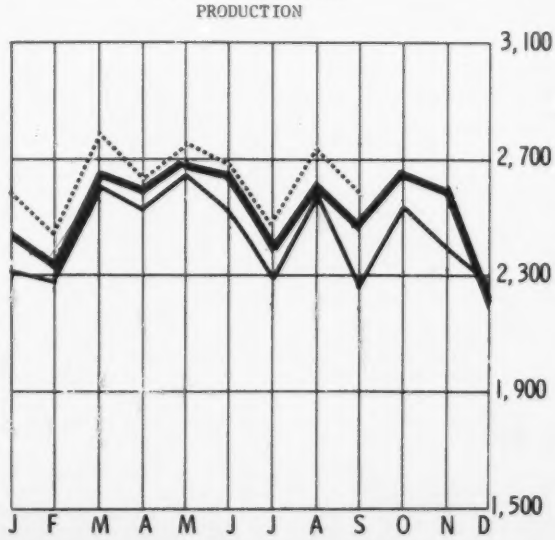
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1977——— 1978■■■■■ 1979·····

FIBROUS RAW MATERIALS (Continued)

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1977	YEAR 1978	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	Annual Rate Y-T-D 1979	% Change from same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	74034	77025	6541	6913	6505	6955	77429	0.9
	- Total Consumpt.	74807	77290	6741	6901	6469	6644	79853	2.0
	- Residues *	30112	30369	2667	2689	2418	2707	30284	-1.8
	- Inventories	6187	6244	4603	4599	4558	4847	4847	-8.9
So. Atlantic	- Total Receipts	23727	25353	2129	2262	2235	2224	26022	3.8
	- Total Consumpt	23820	25204	2165	2316	2353	2158	26655	4.9
	- Residues *	7880	8513	730	773	745	766	8943	5.7
	- Inventories	1003	1191	962	913	859	972	972	22.3
Northeast	- Total Receipts	5954	6664	571	680	599	656	7382	11.4
	- Total Consumpt	6250	6607	632	641	558	625	7640	14.5
	- Residues *	1426	1662	145	145	118	158	1707	2.2
	- Inventories	584	770	540	578	597	625	625	3.3
South Central	- Total Receipts	24367	25572	2294	2349	2136	2332	26289	5.3
	- Total Consumpt	24394	25678	2292	2310	2094	2232	26813	5.1
	- Residues *	8415	8418	803	784	664	721	8907	6.2
	- Inventories	1279	1194	755	836	787	874	874	-1.0
North Central	- Total Receipts	4996	5291	421	502	495	539	5417	4.3
	- Total Consumpt	5261	5330	500	474	409	453	5618	6.8
	- Residues *	1430	1456	132	134	130	131	1467	7.6
	- Inventories	1029	968	639	627	709	786	786	-14.7
West	- Total Receipts	14990	14145	1126	1120	1040	1204	12320	-17.3
	- Total Consumpt	15082	14471	1152	1160	1055	1176	13128	-14.7
	- Residues *	10961	10320	857	853	761	931	9260	-15.4
	- Inventories	2292	2121	1707	1646	1606	1590	1590	-25.0

* - Consumption of Residues in Cord Equivalents.
SOURCE: American Pulpwood Association

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1978 Tons	YEAR 1978 $000	JULY 1979 Tons	JULY 1979 $000	AUG. 1979 Tons	AUG. 1979 $000	Annual Rate Y-T-D 1979	% Change from same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	267517	11155	11806	526	32081	1389	205343	-12.2
Pulpwood Chips	1817114	34737	109507	1896	149101	2785	1503065	-26.0
Wood Pulp, Total	3847590	1041860	323802	111407	360878	125273	4204194	11.3
Waste Fibrous Materials, Total	99872	13581	7730	1179	10979	1868	94615	-11.9
Paper,Paperboard&Products,Total	8666058	2496771	678993	222928	758809	244314	8520477	-1.8
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd. *	8625089	2454161	674791	217966	755542	240100	8477559	-1.9
Paper, Total	8209265	2382065	636536	211056	714175	232647	8038956	-2.5
Newsprint	7477824	2108925	559104	178530	626437	196009	7092659	-6.3
Printing,Writing & Rel.Pap.	592897	215790	66212	26628	76060	30697	803784	45.7
Pack. & Ind. Conv. Paper	126672	50896	8916	4353	9604	4681	121473	6.0
Special Industrial Paper	556	595	354	328	127	157	3153	722.8
Tissue Paper	11315	5860	1950	1217	1947	1104	17888	68.7
Paperboard, Total	97162	16488	5694	1313	6648	1533	74629	-22.9
Wet Machine Board	1437	758	156	79	81	34	1565	12.9
Construction Paper and Bd. *	317225	54849	32405	5518	34638	5886	362409	24.3
Convtd Paper&Paperbd Products	40970	42611	4203	4962	3267	4214	42919	14.3

EXPORTS TO CANADA

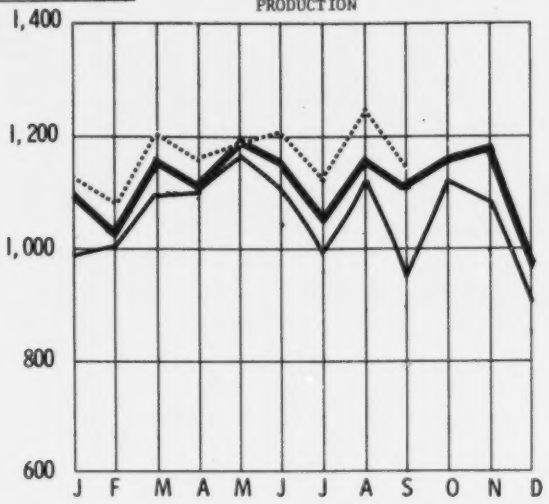
Pulpwood, Roundwood (in cords of 128 cubic feet)	216233	8823	13837	581	12466	545	307103	46.3
Pulpwood Chips	89406	4695	9549	430	11472	566	104342	34.3
Wood Pulp, Total	98813	32570	10741	3684	15358	5928	134471	40.5
Cotton Pulp & Other Pulp	12291	4437	405	178	720	341	8646	4.4
Waste Paper	341671	33467	41471	4674	47994	4837	442655	39.3
Paper,Paperboard&Products,Total	667324	356156	45779	24396	59259	31722	627947	-8.9
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Board *	469501	232442	30985	15482	41533	21182	456771	-5.9
Paper, Total	196765	143884	10992	8817	16677	12401	175204	-16.0
Newsprint	2368	1794	256	195	286	139	3465	57.4
Printing,Writing & Rel.Pap.	115565	80005	6833	5039	9711	6515	106339	-15.2
Pack. & Ind. Conv. Paper	28732	13338	1211	543	1812	1206	16333	-46.9
Special Industrial Paper	40579	41156	2050	2579	4231	3966	40228	-0.3
Tissue	9522	7592	642	460	637	574	8840	-11.6
Paperboard, Total	220964	70738	16729	5246	20787	7303	234531	4.7
Wet Machine Board	4906	2446	290	129	567	333	5623	33.1
Construction Pap. & Bd. E *	46866	15374	2974	1289	3502	1145	41412	-15.1
Convtd Paper&Paperbd Products	197823	123714	14794	8915	17726	10541	171176	-15.9
* - Hard Pressed Board (not in total)								
Imports of Hard Pressed Bd.	22803	3622	1417	288	2089	378	21666	-6.3
Exports of Hard Pressed Bd.	18926	5216	1200	392	1720	554	22250	16.8

SOURCE: Bureau of Census, Department of Commerce. E - Estimate of tonnage based on square foot data

UNBLEACHED KRAFT LINERBOARD

PRODUCTION

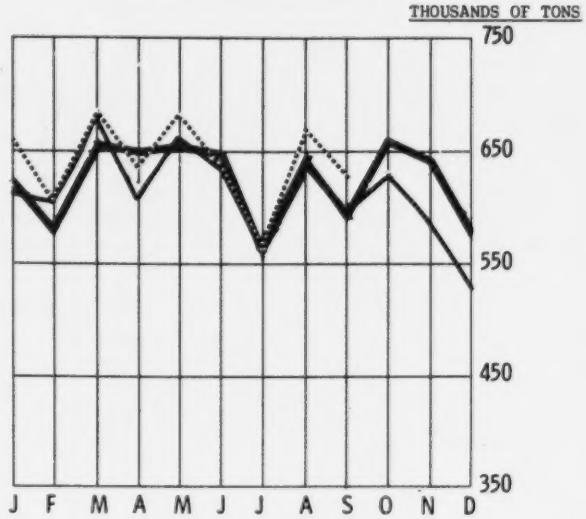
THOUSANDS OF TONS



RECYCLED PAPERBOARD

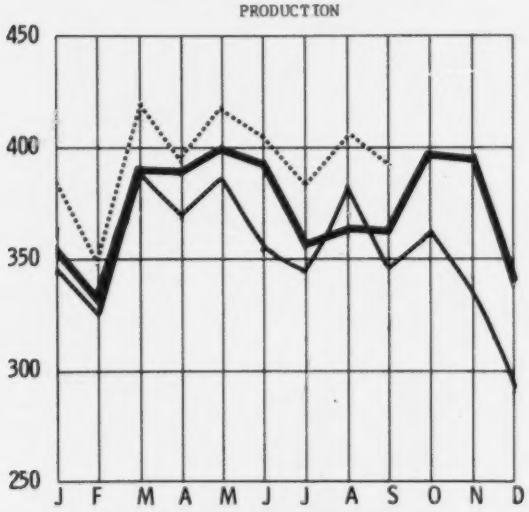
PRODUCTION

THOUSANDS OF TONS



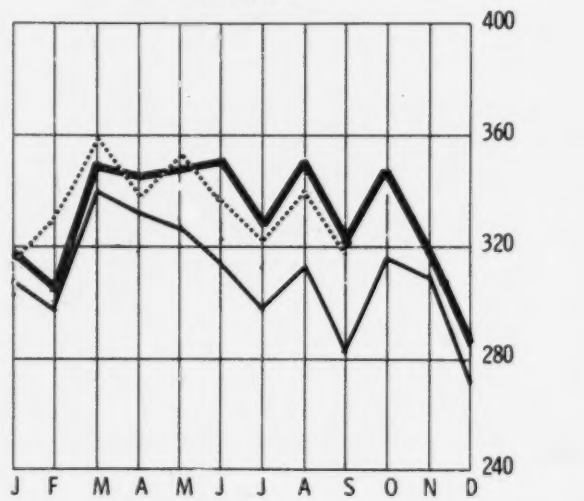
SEMI-CHEMICAL PAPERBOARD

PRODUCTION



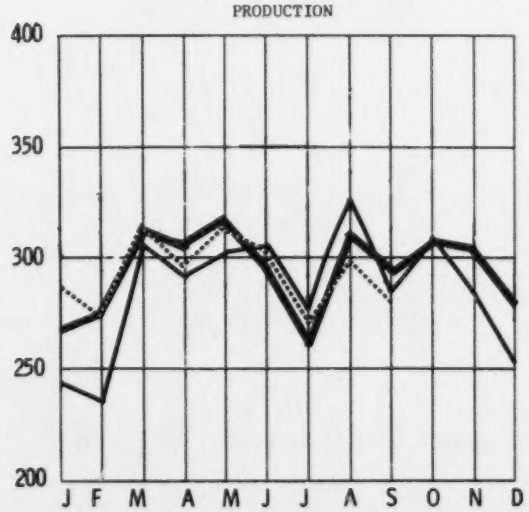
SOLID BLEACHED PAPERBOARD

PRODUCTION



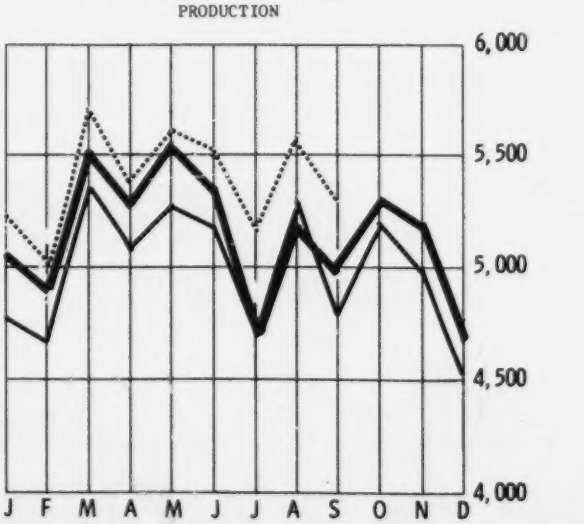
WET MACHINE BOARD AND BUILDING PAPER AND BOARD

PRODUCTION



TOTAL PAPER AND BOARD

PRODUCTION



1977 ——— 1978 ▬▬▬ 1979 .....

PULP, PAPER AND PAPERBOARD IMPORTS AND EXPORTS DATA

IMPORTS

	YEAR 1978 Tons	YEAR 1978 $000	JULY 1979 Tons	JULY 1979 $000	AUG. 1979 Tons	AUG. 1979 $000	Annual Rate Y-T-D 1979	% Change from same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	270662	11481	11806	526	32081	1389	205343	-14.0
Pulpwood Chips	1819169	34864	109507	1896	149101	2785	1573608	-24.1
Total All Imports	13267526	3926572	1101290	385895	1202139	414413	13697480	3.5
Wood Pulp, Total	4024560	1086438	352022	120210	378171	131137	4384599	11.2
Waste Paper	69440	7253	5701	795	6724	1027	64419	-11.0
Other Fibrous Materials	56093	16854	3325	1013	5476	1388	49258	-17.9
Paper,Paperbd&Products,Total	9117433	2816028	740242	263876	811768	280861	9199204	0.4
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	9024340	2640421	731301	243889	803430	261746	9104174	0.4
Paper, Total	8591929	2562762	690203	236195	759611	253576	8641088	-0.3
Newsprint	7483720	2111648	577382	184768	634156	197721	7244216	-4.4
Printing & Writing	958157	385371	99844	44334	112476	48663	1226729	29.4
Uncoated Groundwood	521602	177010	67591	25526	82604	30919	825688	70.7
Uncoated Book	203204	78744	10739	5456	9460	4674	158700	-28.3
Coated Print.& Impres. Par	213658	109204	17658	10057	16532	9547	205124	-8.7
Bristols	618	427	688	354	170	92	2719	379.2
Writing and Similar Paper	11748	14284	1378	1635	2302	2335	20319	109.5
Thin (except Cigarette)	7327	5703	1791	1306	1407	1096	14180	79.9
Total Pks & Other Paper	138132	59377	11025	5873	11032	6087	151859	22.0
Unbleached Kraft Paper	64623	19296	5339	1990	5126	1988	73166	30.2
Other Pks. & Indust. Paper	73509	40081	5685	3882	5906	4099	78693	15.3
Tissue	11920	6366	1952	1221	1947	1105	18284	68.9
Paperboard, Total	100102	18283	6372	1364	6723	1651	76520	-21.7
Test or Containerboard	31860	5185	1207	298	1381	401	18419	-43.6
Semi-Chemical Corrugating	48027	7412	2867	497	3316	566	35119	-24.8
Other Paperboard	20215	5685	2299	870	2026	684	22982	25.1
Wet Machine Board	2717	1497	165	85	215	172	2453	-18.7
Construction Paper & Bd. *	329593	57879	34562	5945	36881	6347	384113	26.3
Building Paper	271870	47017	29483	4836	32726	5450	332800	36.2
Insulating Board	25392	4997	1704	358	1704	381	22229	-13.0
Other Building Board	32331	5865	3374	752	2452	517	29085	-15.0
Convtd Paper&Paperbd Products	93093	175607	8941	19987	8338	19115	95030	3.4
Paper Products, Total	86791	164651	8061	18819	7853	18217	89249	4.4
Paperboard Products, Total	6302	10956	880	1167	485	898	5782	-10.1
Notes								
Other: No Weight Avail. ($000)		78967		6739		7723	80772	7.0
Total Imports Incl. Other($000)		4005539		392634		422135	4698844	18.6

EXPORTS

Pulpwood, Roundwood (in cords of 128 cu. ft.)	218270	8960	13917	592	12466	545	307496	45.1
Pulpwood Chips	3617574	156779	416987	16739	377408	17537	4313877	20.1
Total All Exports	7659628	2571426	753717	280595	729657	278520	8530838	13.2
Wood Pulp,Total	2598952	817102	279304	103482	247042	94904	2775276	8.2
Cotton Pulp and Other Pulp	88481	47987	8369	4803	8409	4596	126648	49.2
Waste and Old Paper	1599449	145884	170743	21064	191141	22915	2106596	37.4
Paper, Paperbd&Products, Total	3372746	1550452	295301	151246	283065	156105	3522318	5.0
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	2895732	1108079	250278	103586	233691	105946	2974296	3.1
Paper, Total	542675	415574	39207	35279	46336	40454	535734	-5.0
Newsprint	82454	29947	6582	3196	3320	1611	54184	-45.2
Printing & Writing	266096	208801	19158	17201	24493	19933	274089	3.5
Uncoated Groundwood	58109	37154	5210	4180	7695	5194	82027	76.3
Clay Coated Paper	73592	54358	5215	4088	7131	5202	72142	-1.8
Uncoated Free Sheet	84896	66185	4481	4359	5071	5246	66822	-27.4
Other Printing & Writing	49500	51103	4253	4574	4596	4292	53099	0.5
Total Pks. & Other Paper	172995	159013	11636	13405	16218	16726	180648	1.3
Unbleached Kraft	45442	17440	4048	2190	2040	1305	49679	6.4
Other Pks. & Indust. Paper	127553	141573	7588	11215	14178	15422	130969	-0.5
Tissue	21130	17814	1830	1477	2305	2183	26813	23.2
Paperboard, Total	2281653	662216	206565	65969	182106	63317	2374002	5.6
Solid Wood Pulp	2078118	576605	194657	60135	169976	58178	2200467	7.4
Total Linerboard	1539510	344110	148945	38673	110116	30601	1567412	4.3
Bleached Kraft Linerboard	194421	50671	15340	4199	11452	3406	185553	-9.0
Unbleached Kraft Linerbd	1345089	293439	133605	34474	98664	27196	1381859	6.4
Other Unbleached Kraft	65833	22330	3161	1439	11327	3258	92019	33.0
Other Bleached Kraft	440724	204423	41011	19627	47466	23971	525948	20.1
Semi-Chemical Corrugating	32051	5742	1540	396	1068	348	15088	-61.4
Recycled Paperboard	203535	85611	11908	5834	12130	5139	173535	-12.8
Wet Machine Board	7554	4805	389	225	667	425	7927	23.1
Construction Paper & Bd. *	63850	25485	4117	2113	4582	1750	56633	-13.5
Building Paper	37166	13220	2177	1105	3127	1116	35256	1.5
Insulating Board E	26684	12265	1940	1008	1455	634	21376	-30.5
Convtd Paper&Paperbd Products	477014	452373	45023	47660	49374	50160	548022	16.3
Paper Products, Total	274884	326728	27476	35568	30258	35960	322591	17.2
Paperboard Products, Total	202130	125645	17547	12092	19116	14200	225431	15.1
Notes								
Other: No Weight Avail. ($000)		7523		733		992	8176	16.0
Total Exports Incl. Other($000)		2578949		281329		279512	3145559	25.4
* Hard Pressed Board (not in total)								
Imports of Hard Pressed Board	295729	40483	22503	3069	18881	2750	252723	-16.9
Exports of Hard Pressed Board	25571	8541	1978	825	4011	1353	33083	26.3

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Estim. of tonnage based on square foot data.

PAPER AND PAPERBOARD PRODUCTION

CENSUS DATA

(Thousands of Tons)

	YEAR 1977	YEAR 1978	APRIL 1979	MAY 1979	JUNE 1979	JULY 1979	Annual Rate Y-T-D 1979	% Change from same Period Last Year
					R	P		
PAPER								
Newsprint	3525	3535	301	328	293	292	3631	-0.1
Uncoated Groundwood Papers	1578	1525	141	134	146	131	1664	5.0
Coated Papers	4189	4514	382	398	368	377	4578	1.0
Uncoated Free Sheet (1)	6914	7358	626	637	632	582	7400	-0.6
Cotton Fiber Paper (1)	118	119	11	12	11	9	129	14.7
Thin Papers	362	354	32	34	32	29	380	8.0
Bleached Bristols	1034	1094	94	99	97	83	1111	2.1
Tissue Paper	4262	3957	365	376	363	343	4276	2.3
Unbleached Kraft Packaging & Industrial Conv. Papers(1)	3980	3887	318	338	327	312	3833	-7.3
Other Paper (1)	1529	1385	146	156	154	140	1749	21.0
TOTAL PAPER GRADES	27491	27729	2417	2511	2422	2298	28750	0.8
PAPERBOARD								
Solid Wood Pulp Furnish	21689	21536	1912	1973	1945	1876	22700	5.9
Unbleached Kraft Linerboard	12880	13127	1141	1173	1172	1132	13676	4.7
Other Unbl. Kraft Paperboard	820	880	86	94	96	90	1060	22.0
Bleached Kraft Paperboard	3851	3604	331	350	326	319	3826	6.4
Semi-Chemical Paperboard	4139	3924	355	357	352	335	4138	5.7
Recycled Paperboard	7036	7187	603	616	598	512	7107	-0.7
TOTAL PAPERBOARD GRADES	28725	28723	2515	2590	2542	2388	29807	4.2
WET MACHINE BOARD	128	142	13	15	15	11	165	18.0
CONSTR. PAPER & INSUL. BOARD	3286	3374	281	302	291	254	3357	0.6
TOTAL ALL GRADES (Excl. H.P.B.)*	59630	59967	5226	5418	5270	4950	62079	2.5

WHOLESALE PRICE INDEXES

1967 = 100

	1977	1978	JUNE	JULY	AUG.	SEPT		
Pulp, Paper and Products	186.4	195.6	216.6	218.1	221.9	222.8	215.3	11.7
Pulp, Paper & Products, excl. Waste Paper ♦	186.4	195.6	216.8	218.3	222.2	223.1	215.6	11.8
Total Wood Pulp	281.1	266.5	309.4	321.2	322.5	322.5	307.4	17.6
Total Paper	194.3	206.1	227.8	228.4	229.6	230.6	225.7	10.9
Total Paper, exc. Newsprint	187.3	199.4	221.3	222.1	223.7	225.0	219.6	11.8
Newsprint	215.5	226.3	247.7	247.7	247.7	247.7	244.1	8.6
Total Paperboard	176.5	179.6	199.8	201.5	205.0	209.5	198.3	11.9
Total Paper and Paperboard ♦	188.7	197.8	219.0	220.0	221.9	224.0	217.1	11.2
Converted Products	176.5	186.5	207.3	208.3	213.7	213.9	206.3	12.4
Waste Paper	187.2	191.2	207.2	207.9	206.6	206.7	203.5	6.3
All Commodities	194.2	209.3	233.1	236.6	238.1	241.7	231.4	11.8
Industrial Commodities	195.1	209.4	233.5	237.2	240.3	243.8	231.5	11.7

(1) - Grade definitions revised by Census as of January 1979. New grades now consistent with API definitions. 1977 and 1978 Census data adjusted by API for comparability with 1979.

* See page 3 for Hard Pressed Board data. ♦ Computed by API P-Preliminary R-Revised

SOURCES: Production - Bureau of Census, U.S. Department of Commerce
Wholesale Price Indexes -Bureau of Labor Statistics, U.S. Department of Labor

viewpoint, however, it is clear that virtually all major sectors of the paper industry are responding to strong final demand in the market place. Newsprint production in September 1979 showed major strength, reflecting the output of two new mills that recently came on stream. Production of printing/writing papers in the third quarter of the year, adjusted for seasonal factors, was above that of the first and second quarters. In fact, each of the major paper sectors - newsprint, other printing/writing papers, tissue and total packaging and other papers, more or less followed this same pattern.

In the paperboard grades, the major strength was evident in linerboard and semi-chemical paperboard - the containerboard grades. The seasonally adjusted rate of solid bleached board, however, eased slightly in the third quarter of the year from the second quarter rate. Production of recycled paperboard held fairly steady, pointing to a rate about 1% ahead of that of 1978. If paperboard production maintains its third quarter rate for the remainder of the year, it will show a 3.6% gain over the 1978 level.

One further point: Hurricane Frederick hit several paper and paperboard mills in Mississippi quite hard, resulting in a measurable effect on production of both paper and paperboard in the middle of September. These mills are now largely back in production. As of this time, there are three mills in the industry on strike, although one is being operated by supervisory personnel.

In sum, demand for paper and paperboard, whether gauged by the level of activity in its end-use markets, the rate of incoming orders or the level of unfilled orders, is still strong, with no evidence at the mill level of near-term collapse.

Sales and Earnings

The strength in paper and paperboard demand in the first three quarters of 1979 was well reflected in levels of sales and earnings of paper and paperboard companies. Data on sales of 21 paper companies reported in the business press show a third quarter volume of sales of $7.3 billion, about 14% above

Continued on Page 12

Continued from Page 11

its year-ago level. These companies reported earnings from continuing operations (that is before taking into account any extraordinary charges) of $461 million, which was 36% above the total in the year-ago strike-depressed quarter. Their third quarter 1979 sales margin was 6.3%, compared to 5.3% in the third quarter of 1978.

Normally, paper company sales decline in the third quarter as mills shut down for holiday maintenance and repair. This year, however, third quarter sales were a little above the second quarter level, but there was a decline in after-tax earnings.

For the first three quarters of 1979, these companies reported sales at $21.1 billion, 13% ahead of the year-ago level, and profits at $1.4 billion, up 35%. The January-September 1979 margin on sales was 6.8%.

The table below summarizes the data.

21 PAPER AND ALLIED PRODUCTS COMPANIES
($ Million)

	1979			1978			% Change 79/78	
	Sales	Earnings	Margin on Sales	Sales	Earnings	Margin on Sales	Sales	Earnings
Quarter I	6,591	430	6.5%	5,790	298	5.1%	+13.8%	+44.4%
Quarter II	7,184	538	7.5%	6,498	424	6.5%	+10.6%	+27.0%
Quarter III	7,284	461	6.3%	6,376	338	5.3%	+14.2%	+36.4%
First 3 Quarters	21,060	1,429	6.8%	18,664	1,059	5.7%	+12.8%	+34.9%

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Quarter III	7,284	461	6.3%	6,376	338	5.3%	+14.2%	+36.4%
First 3 Quarters	21,060	1,429	6.8%	18,664	1,059	5.7%	+12.8%	+34.9%

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

October 16, 1979

PRODUCTION (000 TONS)

	Sept 1979	Aug. 1979	Sept 1978	Jan - Sept 1979	Jan - Sept 1978	% Change 79/78
PAPER GRADES	P	R				
Newsprint	365	360	319	3042	2811	8.2
Uncoated Groundwood (s)	117	131	102	1093	965	13.3
Coated Paper (s)	373	403	356	3365	3344	0.6
Uncoated Free Sheet Paper (s)	627	696	571	5851	5423	7.9
Thin Paper (c)	32	35	29	289	265	8.9
Cotton Fiber Paper (s)	11	11	10	94	85	10.5
Bleached Bristols (c)	88	100	86	836	819	2.2
Tissue Paper	375	400	325	3421	3183	7.5
Unbleached Kraft Packaging & Indl. Converting (s)	330	337	311	2998	2978	0.7
Other Paper (c)	150	155	109	1325	1087	21.9
TOTAL PAPER	2469	2628	2216	22313	20959	6.5
PAPERBOARD GRADES						
Kraft Linerboard, Unbleached	1142	1233	1104	10456	9971	4.9
Other Kraft Paperboard	89	101	89	938	914	2.7
Semichemical Paperboard	387	406	358	3546	3322	6.7
Bleached Paperboard	318	340	323	3018	3029	-0.4
Recycled Paperboard	622	670	606	5740	5613	2.3
TOTAL PAPERBOARD	2558	2750	2480	23698	22849	3.7
CONSTRUCTION & WET MACH GRADES(c)	279	299	288	2633	2629	0.1
TOTAL PAPER AND PAPERBOARD	5305	5677	4984	48644	46437	4.8
HARD PRESSED BD.[not in total](c)	175	195	171	1608	1664	-3.4

WOOD PULP (ALL GRADES)	Aug. 1979	July 1979	Aug. 1978	Jan - Aug. 1979	Jan - Aug. 1978	% Change 79/78
Dissolving & Special Alpha	155	125	115	993	1010	-1.7
Bleached Sulphite	119	111	117	885	1049	-15.6
Unbleached Sulphite	35	31	5	266	206	29.2
Bleached & Semi-Bl. Sulph.	1596	1460	1438	12041	11459	5.1
Unbleached Sulphate	1681	1586	1598	13143	12686	3.6
Semichemical	441	419	327	3148	2676	17.6
Groundwood and Thermo-Mechanical	387	360	305	2976	2898	2.7
TOTAL PULP DIVISION DATA	4415	4092	3904	33453	31984	4.6
Defib. Exploded & Screws E	276	258	292	2093	2119	-1.2
TOTAL WOOD PULP PRODUCTION	4690	4350	4196	35545	34103	4.2

Note: Paperboard cumulative totals include revisions not available monthly.

(s) - Shipments R - Revised E - Estimate
P - Preliminary (c) - Census Data - Production, last 2 months estimated.

October 22, 1979

	Full Year		INDUSTRY DATA 1979			Ann. Rate Year - To - Date	% From Same Pd. Last Yr.
			R	R	P		
PAPER AND PAPERBOARD -- Tons (000)	1977	1978	July	August	September		
Total Production (API).....	59778	61642	5134	5677	5305	64859	4.8
Total Seasonally Adjusted.... excluding			5365	5429	5503	64659	4.8
Imports (including Products). hard pressed	7432	9117	740	812	750 E	9177	0.7
Exports (including Products). board	3230	3373	295	283	273 E	3495	3.6
Apparent Consumption.....	63980 a	67386 b	5810	5958	5980	70341c	4.3
Paper Production % Tonnage Capacity.....	91.9 s	91.7 s	88.5	96.9	94.4	96.0 sh	—
Paperboard Production % Tonnage Capacity.....	90.9 s	92.7 s	85.5	93.9	90.0	93.8 s	—
			June	July	August		
MARKET WOOD PULP PRODUCTION - Tons (000).....	4819	5165	501	487	514	5571	5.6
TOTAL WOOD PULP PRODUCTION - Tons (000)..(f)....	46652	47662	4321	4092	4415	50179	4.6
WOOD PULP IMPORTS - TONS (000).....	3864	4025	347	352	378	4385	11.2
WOOD PULP EXPORTS - TONS (000).....	2640	2599	310	279	247	2775	8.2
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS			June	July	August		
Wood Pulp..(k).....	47596	48777	4344	4146	4114	50682	3.6
Waste Paper....(d).....	14058	14600	1254	1122	1295	14969	2.2
Other (Census).....	745	666	55	45	55 E	657	-1.4
Total.....	62399	64044	5654	5313	5464	66308	3.2
..WOOD PULP - NON PAPER	876	884	72	74	75 E	915	5.3
PULPWOOD CONSUMPTION Cords(000) Amer. Pulpwd. Assn	74807	77290	6901	6469	6644	79853	2.0
EMPLOYMENT (000)			July	August	September		
Paper and Allied Products.....Total.....	691.6 R	700.9 R	719.6 R	723.8 R	721.8	713.9 R	1.8
Pulp, Paper and Board Mills.....Total.....	272.3 R	267.0 R	276.6 R	277.4 R	277.5 E	271.3 R	0.8
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)							
Paper and Allied Products.....	5.96	6.52	7.17	7.21	7.27	7.01	8.8
Pulp, Paper Mills.....	6.75	7.44	8.33	8.40	8.47 E	8.10	10.4
Paperboard Mills.....	6.94	7.68	8.47	8.44	8.47 E	8.22	8.9
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1979 Q2	1979 Q3	1979 Q4		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)$	3.36	3.46	4.80	4.68	5.14	4.79	38.4
INDEX OF OUTPUT PER MAN-HOUR (1967=100).....			May	June	July		
IN PULP, PAPER ...Production Workers.....	142.0	149.6 R	153.1 R	152.3 R	149.1	153.1 R	2.9
AND BOARD MILLS:...All Employees.....	138.6	144.9 R	148.6 R	147.9 R	144.6	148.2 R	2.4
PAPER AND ALLIED PRODUCTS (Million $)			June	July	August		
Industry Shipments (Dept. of Commerce)$.....	52368	57654	5479	5659	5668	65436	15.6
Pulp, Paper and Paperboard$.....	23701	25343	2536	2541	2583	29642	18.4
Inventories (End of Period) - Total Industry$.	5628	5875	6344	6464	6352	6352	9.5
Pulp, Paper and Paperboard$.....	2102	2006	2090	2110	2143	2143	6.8
			1978 Q4	1979 Q1	1979 Q2		
Sales (Corporations Only, FTC).....	45750	48982RS	12841	12997	13828	53650	12.9
Earnings (Corporations Only, FTC).....	2367	2598RS	734	867	917	3568	42.7
Depreciation (Corporations Only, FTC).....	1663	1726RS	445	447	479	1852	10.5
Net Worth (Corporations Only, FTC).....	19704	20794RS	20794	21282	21808	21808	9.9
PRICE INDEXES (Bureau of Labor Stats) 1967=100			July	August	September		
Total Pulp, Paper and Allied Products.....	186.4	195.6	218.1	221.9	222.8	215.3	11.7
Wood Pulp.....	281.1	266.5	321.2	322.5	322.5	307.4	17.6
Waste Paper.....	187.2	191.2	207.9	206.6	206.7	203.5	6.3
Paper.....	194.3	206.1	228.4	229.6	230.6	225.7	10.9
Paperboard.....	176.5	179.6	201.5	205.0	209.5	198.3	11.9
PAPER DEMAND (INDEXED: 1967=100)			July	August	September		
Total Paper Production $.....	131.0	133.1	144.1	146.6	146.4	142.2	6.5
Paper New Supply $.....	124.0	131.2	138.6	143.2	141.0	138.2	5.1
Total End - Use Index $.....	134.4	139.5	143.6	144.6	144.8	144.3	4.1
Production of Nondurable Goods $...(19%)..	150.5	156.9	163.9	164.1	164.4	162.8	4.5
Disposable Income (Constant $) $...(23%)..	138.6	145.2	148.2	147.8	147.4	148.4	2.9
Total Printing and Publishing $...(58%)..	127.6	131.5	135.2	137.0	137.4	136.7	4.5
Trend Factor			Not Available				
PAPERBOARD DEMAND (INDEXED: 1967=100)							
Total Paperboard Production $.....	127.0	132.8	135.8	136.2	140.4	137.5	3.8
Production for Domestic Use	271.3	227.3	134.6	133.7	139.5	135.9	3.9
Total End - Use Index $.....	141.6	147.7	152.5	150.5	151.5	151.9	3.7
Production of Consumer Goods $...(60.49%)	145.3	149.1	151.1	148.4	149.9	150.8	1.7
Production of Equipment $...(6.62%)	123.0	132.8	142.2	142.0	143.1	141.5	7.8
Production of Materials $...(32.89%)	138.6	148.3	157.2	156.0	156.2	155.8	6.7
Trend Factor			Not Available				
NEWSPRINT MARKETS			June	July	August		
Consumption by Publishers - Tons (000).....	10228	10872	913	863	911	10955	3.7
Newspaper Pub. and Printing Emp. Total (000)..	395.6	407.4	422.1	422.5	421.8	418.0	2.8
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (LNA, Inc.).....	106489	115317	9558	8048	7596	95486	-8.9
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	15482	17586	1631	1585	1770	19434	12.9
Inventories (End of Period)	1261	1482	1616	1608	1606	1606	18.0
Paper Only.....Sales	11799	13079	1252	1192	1328	14753	16.0
Inventories (End of Period)	873	1023	1090	1179	1070	1070	16.2
RETAIL TRADE (Million $)			July	August	September		
Total Retail Sales $.....	724020	798818	72370	74621	76263	869812	10.9
Nondurable Goods Stores Sales $.....	476188	520902	47899	48791	49822	568295	10.7
GENERAL ECONOMIC DATA							
TOTAL INDUSTRIAL PRODUCTION (INDEX 1967 = 100)$.	138.2	146.1	152.8	151.5	152.3	151.0	4.4
WHOLESALE PRICES(ALL COMMODITIES)(INDX 1967=100)	194.2	209.3	236.6	238.1	241.7	231.4	11.8
			June	July	August		
CONSUMER PRICES (ALL ITEMS) (INDEX 1967 = 100)..	181.5	195.4	216.6	218.9	221.1	212.9	10.6
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $).	230.8	275.6	291.9	295.1	299.8	299.8	15.5
GROSS NATIONAL PRODUCT - ANNUAL RATE ($Billion$).			1979 Q1	1979 Q2	1979 Q3		
G.N.P. or Expenditure - Current $.....	1899.5	2127.6	2292.1	2329.8	2391.5	2337.8	11.8
G.N.P. OR Expenditure - 1972 $.....	1340.5	1399.2	1430.6	1422.3	1430.8	1427.9	2.7

lb/capita Popul.(mil)
.a - 390 216.8
.b - 616 218.5
.c - 638 220.4
.d - 1977 - 12192; 1978 - 13185 (000 tons) as pub. by U.S. Census Bureau
.E - Estimate

f - Wood Pulp Production excludes estimates for defibrated exploded & screenings. Production was: 1977 - 3,218; 1978 - 3,138 (000 tons)
g - Adjusted for holiday shutdowns
h - Adjusted to confore with API Division data
k - Excludes consumption of defib. & expl. pulp for hard p. bd.: '77 - 1,688; '78 - 1,655 (000 tons)

N.A. - Not Available
P - Preliminary
Q - Quarter
R - Revised
RS - Revised Series
v - Full year estimated by U.S. Dept. of Commerce
$ - Seasonally adjusted